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## California Postsecondary Education Commission

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# California Baccalaureate Production and Labor Market Demand

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Postsecondary education is a major enterprise in California. The state provides \$12 billion annually in funding to the University of California, the California State University, and the California Community Colleges. A major concern is how well the output of degrees, certificates, and other qualifications from these three public segments meets the needs of the state's economy and provides opportunities for students wishing to become qualified for better careers.

A new Commission project is a study of the relationship between postsecondary education and the workforce. As a start to this project, the Commission has compared degree production in California with projections of job openings from the California Employment Development Department (EDD). These projections are based on EDD's forecasts of industry growth, combined with data on the job mix in each industry and an assessment of the way that the job mix is expected to change.

- The occupations with the greatest job growth are generally in retailing or food service (see table, next page). Nursing is the fastest-growing occupation requiring postsecondary education.
- Overall, California will have 627,000 job openings each year. About 25% of these job openings will require a bachelor's or higher degree. The fastest-growing of these are in business management and teaching.
- California universities and colleges awarded a total of 132,000 bachelor's degrees in 2003.
- The overall level of bachelor's degree production seems to be lower than that demanded by the labor market. However, some of California's job openings are filled by migrants to the state. A complete assessment of whether California's universities are meeting the needs of the labor market cannot be made without examining data on migration and the educational level of workers moving into and out of the state.
- The proportion of California jobs requiring a degree will increase slightly over the next several years. Nevertheless, many Californians will continue to work in low-paid, low-skilled occupations. Over 30% of California workers are in jobs where the median wage is \$10 an hour or less and this figure is not expected to change significantly. Many of these workers will seek opportunities to become qualified for better-paid occupations.

The next steps in the workforce project will be to take a closer look at how the degrees and certificates produced by the state's colleges and universities matches the needs of the labor market. The Commission will also examine how higher education equips students with the skills needed in the workplace.

The Commission has recently acquired enrollment data from UC, CSU, and the community colleges that includes identifiers for individual students. This data will allow the Commission to track movement of students between the segments, look at the time taken for students to complete their degrees and become qualified for careers, and examine whether course offerings make postsecondary education accessible to students in the workforce who wish to become qualified for better-paid careers. The following tables present selected data on degrees awarded and the fastest-growing occupations.

### California job openings, 2001–2012

Training level needed	Current jobs	Estimated annual job openings	
Graduate or professional degree	458,000	24,000	3.8%
Bachelor's degree	2,730,000	132,000	21.0%
Associate degree or vocational qualification	1,055,000	50,000	8.1%
Experience or on-the-job training	10,101,000	421,000	67.2%
Total jobs	14,343,000	627,000	100%

Commission summary of EDD occupational projections. These projections consist of estimates of jobs and job openings in about 750 occupations. EDD used data compiled by the U. S Bureau of Labor Statistics to place each occupation in a training level category that best describes the postsecondary education needed by most workers to become fully qualified in the occupation.

### California's fastest-growing occupations

Occupation	Jobs, 2002	Annual job openings	Median hourly wage
<b>All occupations</b>			
Retail salespersons	435,400	18,700	\$9
Cashiers	358,800	15,200	\$9
Office clerks, general	400,300	14,600	\$12
General food service workers	215,100	11,600	\$8
Registered nurses	201,600	10,700	\$30
<b>Occupations requiring a bachelor's degree</b>			
Operations managers	224,100	9,900	\$44
General business specialists	173,300	9,100	\$26
Elementary school teachers	175,000	7,500	.
Miscellaneous teachers	79,400	5,600	.
Secondary school teachers	118,900	5,500	.

EDD occupational projections.

### Bachelor's degrees, 2003

	Degrees awarded
University of California	37,100
California State University	61,700
Independent institutions	33,500
Total	132,000

### Top subjects, 2003

	Bachelor's degrees awarded
Business administration	17,900
Liberal studies	8,200
Psychology	7,800
Interdisciplinary studies	4,900
Biology	4,100
English	4,000
Sociology	3,900
Political science	3,700
Communications	3,500
Economics	2,900
History	2,800
Computer science	2,600
Art	2,100

Degrees awarded by UC, CSU, and California independent institutions.

All data on degrees awarded is from the Commission's database.